

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1596 - HB 2527

February 24, 2018

SUMMARY OF BILL: Authorizes local governments to make purchases of special purpose vehicles through a federal general service administration contract.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – To the extent local governments purchase special purpose motor vehicles through federal general service administration contracts, there may be permissive local cost avoidances. The extent and timing of any such impacts cannot be reasonably determined.

Assumptions:

- Pursuant to Tenn. Code Ann. § 12-3-1208(a)(3)(C), vehicles manufactured for a special purpose include, but are not limited to, school buses, buses with capacity exceeding 22 passengers used to provide public transportation, garbage trucks, firetrucks, or ambulances.
- Any action taken by a local government to purchase special purpose motor vehicles through federal general service administration contracts is permissive.
- Local governments will purchase special purpose motor vehicles through federal general service administration contracts in instances where they can experience cost savings compared to conducting other procurement methods.
- The total statewide permissive cost avoidance to local government is dependent on multiple unknown factors such as: the number of local governments that will be purchasing special purpose motor vehicles; the timing of any such purchases; and the purchase price for any such item under a federal general service administration contract compared to the price under alternate procurement methods.
- Given the extent of unknown factors, the precise fiscal impact to local government cannot be reasonably determined; however, in instances where a federal general service administration contract is used to purchase such items, local governments will incur permissive cost avoidances.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj